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FOR IMMEDIATE RELEASE

State Can Seize Western Union Money Transfers, Appeals Court Rules

(Phoenix, Ariz. - July 1, 2008) The Attorney General's Office can seize Western Union money transfers to Mexico that are intended to finance human smuggling operations in Arizona, the Arizona Court of Appeals ruled today. The ruling reverses a lower court's decision to quash a 2006 seizure warrant.

The 2006 warrant allowed investigators to seize money transfers believed to be payments to human smuggling organizations in northern Sonora, Mexico. In 2006, Maricopa County Superior Court Judge Kenneth Fields quashed the warrant, ruling that Arizona did not have jurisdiction to seize funds that were not sent from or received in Arizona.

In today's decision, the Arizona Court of Appeals said, "...we hold that the superior court possessed jurisdiction to issue the seizure warrant with respect to the funds sent to and from locations outside Arizona."

Today's ruling goes on to say that because the criminal activity of bringing undocumented immigrants to Arizona and holding them as hostages - as well as coyotes agreeing to smuggling people into the state - all happens within Arizona, the state has jurisdiction to pursue civil forfeiture.

The court also ruled that the seizures comply with the Fourth Amendment because they were based on probable cause and were reasonable. Today's 75-page opinion explained in detail how the affidavits showed money laundering through Western Union in Arizona and northern Sonora. The court also noted that the seizures do not violate the Commerce Clause of the U.S. Constitution because the commerce involved was criminal activity taking place in part in Arizona.

"This ruling vindicates our efforts to interrupt human smuggling and drug organizations that plague Arizona communities," Attorney General Terry Goddard said. "Our focus has always been on crimes committed in Arizona, and every effort has been made to prevent the seizure of any funds from anyone not involved in criminal activity. I am proud of the great work by the Arizona Financial Crimes Task Force. These officers work hard to

reduce violence related to human smuggling in Arizona by targeting the dangerous criminals that run these organizations and the money that makes them profitable.”

Since 2001, the Attorney General’s Office, the Department of Public Safety and the Phoenix Police Department have conducted joint investigations of human smuggling organizations operating in Arizona as the Arizona Financial Crimes Task Force. They have seized more than \$17 million in criminal assets and have made more than 100 arrests of human smugglers and money launderers. They have concentrated on forfeiture of businesses that facilitate smuggling, such as Western Union locations, used car dealers, travel agents and a gun dealer.

As a result of the Western Union investigations, criminals began routing payments for human smuggling operations in Arizona from other states directly to Mexico. This change prompted Arizona officers to obtain the September 2006 warrant in that enabled the Attorney General’s Office to seize transfers from 29 other states to human smuggling organizations in 26 locations in Sonora, Mexico, within 70 miles of the Arizona border.

Today’s Court of Appeals decision vacates the order quashing the seizure warrant and sends the case back to Maricopa County Superior Court for disposition of the seized funds.

A copy of the decision is attached.

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